

The Finance Committee works with the business manager and superintendent to create the upcoming fiscal year budget, presents budget recommendations to the board, monitors implementation of the approved budget on a regular basis, recommends proposed budget revisions, and recommends policies for the management of the organization's assets.

The role of the finance committee is primarily to provide financial oversight for the organization. Typical task areas for small and midsized groups include budgeting and financial planning, financial reporting, and the creation and monitoring of internal controls and accountability policies. An outline of responsibilities appears below.

Budgeting and Financial Planning

Develop an annual operating budget with staff.

Approve the budget within the finance committee.

Monitor adherence to the budget.

Set long-range financial goals along with funding strategies to achieve them.

Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.

Present all financial goals and proposals to the board of directors for approval.

Effective finance committees fully engage in an annualized budgeting process in cooperation with the staff administrative leader and senior staff. Unless an organization's bylaws expressly forbid it, it may be advantageous to include non-board members with financial expertise on the committee.

In addition to developing an annual budget, the committee should also set long-term financial goals. These goals might include, for example, the creation of a working capital or cash reserve fund and the creation of a fund for maintaining or replacing equipment. If the organization has a strategic plan, the finance committee will work with the staff to determine the financial implications of the plan and will plot them into a multi-year organizational budget that will financially support the implementation of the strategies.